

EUROPEAN PARLIAMENT

EUROPEAN PARLIAMENT DELEGATION

for relations with

THE UNITED STATES

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Notice to Members

Members will find attached the texts of various resolutions adopted by the European Parliament and written questions with answers, relating to the points on the draft agenda for the 24th meeting of delegations (PE 94.258).

DIRECTORATE-GENERAL FOR COMMITTEES
AND INTERPARLIAMENTARY DELEGATIONS

6 December 1984

PE 94.399

C O N T E N T S

	<u>Page</u>
I. <u>Economic and trade issues</u>	
A. <u>Gatt-related issues</u>	
Resolution of 28.10.1983 on the delineation and further develop- ment of GATT and of the free trade principle underlying the GATT system and possible consequences for the EEC and GATT	1
Resolution of 13.4.1984 on a Community energy tax on the consump- tion of hydrocarbons and its effects on energy policy	7
Written Question No. 126/84 on the US manufacturing clause	8
Written Question No. 1236/83 on trade compensations obtained under the GATT	8
Written Question No. 2319/83 on the remarks by the President-in- Office of the Council to the US Congressional Delegation to the European Parliament	9
Resolution of 12.12.1983 on taxation of companies by American States	10
Resolution of 16.3.1984 on export credit subsidies	11
Resolution of 19.5.1983 on combating the crisis in the European steel industry	12
Resolution of 13.10.1983 on the crisis in the European steel industry	19
Resolution of 16.2.1984 on the situation of the iron and steel market	20
Resolution of 11.10.1984 rejecting an increase in steel imports from third countries	21
Written Question No. 1703/83 on exports of special steels to the USA	22
Written Question No. 309/84 on quotas on ski imports from the United States	23
C. <u>Development issues: food aid, indebtedness in developing countries</u>	
Resolution of 15.11.1984 on famine in Ethiopia and the Sahel	24
Resolution of 13.2.1984 on the role and functions of the inter- national financial institutions in the present monetary situation	25
Resolution of 29.3.1984 on the Community's external trade and the problem of global financial instability	30
Resolution of the ACP-EEC Consultative Assembly (19-21.9.1984) on the indebtedness of the ACP countries	35
II. <u>Political issues</u>	
A. <u>Security and cooperation</u>	
Resolution of 26.10.1983 on arms procurement within a common industrial policy and arms sales	36
Resolution of 16.11.1983 on the deployment of missiles in Western Europe	39
Written Question No. 2014/83 on East-West trade policy	40
Resolution of 16.9.1982 on visa reciprocity between the United States and the European Community	41

B. Central and South America

Resolution of 13.4.1984 closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Regulation (EEC) on the conclusion of a Framework Agreement for cooperation between the European Economic Community and the countries party to the Cartagena Agreement (Bolivia, Colombia, Ecuador, Peru and Venezuela)	42
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Friday, 28 October 1983

RESOLUTION

on the delineation and further development of GATT and of the free trade principle underlying the GATT system and possible consequences for the EEC and GATT

The European Parliament,

- having regard to the increasing number of trading disputes accompanied by threats of national measures which, if unchecked, will destroy the multilateral trading system,

Friday, 28 October 1983

has, in formulating the proposals outlined below, been guided by the following considerations;

- A. the European Community earns about 25 % of its gross national product from exports, with half of this figure coming from exports to non-Community member States. The maintenance and further development of free world trade is thus of decisive importance for the evolution of the European Community and for the preservation and creation of jobs,
- B. none of the countries of the European Community are currently able to solve their economic problems by themselves. They have to rely on each other and will only succeed in overcoming their economic problems to the extent that they are successful in developing common interests and placing these before individual national considerations,
- C. the basis of the European Community's trade policy is Articles 110 to 116 of the EEC Treaty which call on the Member States to contribute to 'the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of custom barriers' and which state that 'Member States shall, in respect of all matters of particular interest to the common market, proceed within the framework of international organizations of an economic character only by common action',
- D. the valuable role played by the General Agreement on Tariffs and Trade in the development and growth of world trade and the vital contribution of the European Community in bringing about successive rounds of trade liberalization measures,
- E. also the role of the Organization for Economic Cooperation and Development and its potential for coordinating the economic policies of the major industrialized democracies,
- F. commitment to free world trade and rejection of all forms of protectionism are not enough in themselves to influence world trade in such a way that the differing economic conditions in the industrial and developing countries are taken into account, while allowing, as far as possible, its free and unrestricted development,
- G. free trade based on freedom of competition which respects the principles of the social market economy must be regarded as a fundamental principle of the world economy. This principle will permit measures, in conformity with the rules of GATT, designed to organize and regulate free trade, such as duties, quotas and adjustment or transitional aids,
- H. differing economic conditions will inevitably reflect themselves in varying degrees of adherence by countries to a free trade system, but the free and unrestricted development of the world economy should be the overriding goal of international economic policy. Impermissible protectionism must be clearly distinguished from measures to influence or regulate world trade which are motivated by current or future political, economic or social needs, and which are clearly recognized under GATT rules,
- I. an effective free trade policy needs to be backed up by a Community industrial policy in order to maximize the positive impact it has in strengthening the internal market and thus stimulating productivity and improving the employment situation in Europe. It is essential to develop a forward-looking structural policy in order, on the one hand, successfully to develop and export new technologies while, on the other, bringing about the rapid restructuring, while paying heed to the possible social difficulties, of industries which are at present in a state of crisis or threatened with adverse conditions in future,
- J. structural change and economic growth, the safeguarding and creation of jobs on the one hand, and external trade on the other, are closely interlinked in the Community as a result of the high level of international economic interpenetration,

Friday, 28 October 1983

- K. changes in the structure of production and employment are influenced by changes in the level and structure of world demand,
- L. GATT has proved its worth and must be further developed as the basis of the free world trade. The negotiations conducted over the last few years within the framework of GATT have succeeded in bringing about a liberalization of trade without, however, providing solutions for important problems such as the need to satisfy the legitimate demands of the developing countries as regards their position in world trade. Moreover, the current crisis places GATT very much at risk, as the Geneva GATT Conference in November 1982 clearly demonstrated,
- M. developments in the world trading system should in future take more account of the evolution of transnational companies in Europe and elsewhere,
- N. having regard to its resolutions of
- 7 July 1983 on the impact of the CAP on the external relations of the European Community ⁽¹⁾, and
 - 16 November 1982 on the GATT Ministerial Conference of November 1982 ⁽²⁾,
- O. having regard to the report of the Committee on External Economic Relations (Doc. 1-493/83),

Having regard to these considerations, the European Parliament resolves as follows:

1. (a) The General Agreement on Tariffs and Trade (GATT) has proved an extremely valuable international institution, and must now be developed and strengthened at a time of recession and declining world trade. It should be noted that the GATT system was established at a time of currency stability and that the principles of free trade which it enshrines are dependent on a coherent framework of currency values that truly reflect purchasing power parities.
- (b) The essential aims of any further development of GATT should be to safeguard and promote measures:
 - to open up market opportunities throughout the industrialized and developing world, and restore growth in world trade,
 - to support an effective world division of labour based on the concept of optimizing the allocation of resources by free and fair exchange, in accordance with the principles of comparative advantage,
 - to facilitate the economic development of poorer countries by encouraging free access to world markets, if necessary without obligatory reciprocity, as in the Lomé Convention,
 - to ease the structural adjustment of economies in order to maximize employment and growth,
 - to provide for the employment and welfare of both workers and employers by improving the functioning of the open trading system;
- (c) This further development should also take account of the fact that GATT was designed to meet the needs of trade between countries with similar economic structures, and only gradually were special provisions introduced in favour of developing countries;
- (d) It should now take account of the development of industry in the more advanced developing countries, in particular the creation of special structures geared exclusively or mainly to exports, as in Japan for example;

⁽¹⁾ OJ No C 242, 12. 9. 1983, p. 76; Catherwood report (Doc. 1-248/83).

⁽²⁾ OJ No C 334, 20. 12. 1982, p. 25.

Friday, 28 October 1983

2. The principles of non-discrimination, reciprocity of concessions and free access to markets should be maintained. Efforts to replace the principle of multilaterality with bilateral reciprocity (balancing the trade between individual trading partners) should be rejected;
3. The developing countries should become subject to the GATT rules for free world trade as and when their industries have reached a competitive stage of development;
4. The further development of GATT must aim to remove non-tariff trade barriers by standardizing the technical and environmental specifications for products, since these affect manufacturing costs and hence competitiveness;
5. New non-tariff measures having the effect of further restricting or distorting international trade should not be allowed. Existing trade barriers that have been approved by GATT should be systematically eliminated. An agreement simply requiring the registration of trade-restricting measures is inadequate as a first step. Monitoring of existing quantitative restrictions and other non-tariff trade barriers for compatibility with GATT rules is required;
6. Precise criteria should be laid down for voluntary restraint agreements and quotas, together with selective recourse to the protective clauses, permitting them only for a certain period of time and under exceptional circumstances;
7. Provision should be made for the establishment of a special GATT committee for agriculture to examine the growing problems in international agricultural trade, including the problems connected with tropical products;
8. Steps should be taken to prepare a study on the importance of trade in textiles and clothing, the impact of existing restrictions under the world textile agreement, and the impact of the expiry of the current restrictive measures;
9. Subsidies must be defined more precisely in GATT, with a clear distinction to be drawn between subsidies to ease the transition and adjustment to changed structures, which are admissible under GATT rules, and subsidies designed to preserve structures;
10. Trade in services should be brought under the GATT rules;
11. An improved procedure for settling disputes should be devised to ensure that the parties involved in a dispute reach an amicable settlement. Where an amicable settlement cannot be achieved, the GATT Council and the Director-General of GATT should have greater powers to mediate. In addition, the disciplinary measures provided for by GATT to deal with violations of the agreement should be improved and strengthened to ensure that members of GATT comply with its rules. The applicability of safeguard measures requires in particular a concrete definition of the concept of 'market disruption';
12. A new GATT article should be negotiated to cover Fair Labour Standards (on the lines of Article 7 of the 1948 Havana Charter). In particular, all GATT member countries should be required to respect the ILO Conventions on freedom of association and collective bargaining, on discrimination in employment, and on forced labour;
13. GATT member countries must also ensure that the ILO Tripartite Declaration on Multinational Enterprises is respected;
14. International economic cooperation and coordination of national economic and monetary policies should be further developed and extended with the aim of eliminating imbalances in the world economy and hence promoting growth, trade and employment. Within the OECD and GATT the Community must press for the coordination of economic

Friday, 28 October 1983

policy aimed at the steady recovery of industrial production and international trade, and the reduction of unemployment. Monetary stability should be restored by a strengthening of the European Monetary System and greater cooperation with the other major trading currencies. Efforts should be made to arrange a separate GATT Round on the trade problems between the developing countries and the industrialized nations — and also among the developing countries themselves — in order to achieve greater access to markets, in particular those of the industrialized nations and the more advanced developing countries; -

15. Believes the Commission should make strong representation to the governments of non-member States; when secondary level governments (i.e. State or provincial governments) impose discriminatory tariffs against imported products as has occurred in the case of the discrimination provincial governments of Canada against imported wines, spirits, beers and other alcoholic products.

16. Parliament should investigate the practicality of sending an *ad hoc* delegation to future GATT conferences as observers. This delegation would comprise members of the Committee on External Economic Relations and members of other committees whose terms of reference cover the subjects discussed at these conferences;

17. The external trade of the European Community will be based on freedom of competition which respects the principles of the social market economy;

18. The Community's external policy should nevertheless be provided with instruments to allow it to react rapidly to any violation by a partner country of the rules of GATT or of mutual commitments;

19. The common European external trade policy must be strengthened. It must be compatible, at sectoral level and in relation to the Community's partners in world trade, with the strategies to be developed in future for Community industries. National import and export regulations in the Member States should be replaced in the near future by common European Community regulations;

20. Developing country participation in world trade should, as far as the Community is concerned, mean respecting commitments entered into within the framework of the Lomé Convention and the various cooperation agreements concluded with other countries, constant efforts in the appropriate forums of negotiations to meet the demands of these countries and constant efforts to help the poorest developing countries;

21. Efforts should be made to limit the organization of free trade to tariffs, other levies and quantitative quotas for goods; these measures should be limited in time and designed to restore competitiveness and allow structural adjustment. However, exceptions should be permitted on political grounds so as to maintain certain sectors, e.g. the energy and shipbuilding industries, without regard to competitiveness;

22. Export subsidies, tax concessions designed to achieve previously non-existent competitiveness and all forms of dumping are rejected as incompatible with GATT rules and steps should be taken under GATT to combat these violations;

23. In addition to unilateral measures, bilateral and multilateral arrangements are also suitable for organizing free trade. These include the generalized preferences system, which, when further developed, may be expected to differentiate more significantly among the beneficiary States according to their state of development;

24. In the long term, a liberalization plan should be developed for world trade to replace the current practice of holding an annual review of tariff preferences within the framework of a 10-year basic programme. This plan should provide for a negotiated step-by-step reduction in tariffs and a staged reduction in quantitative restrictions, taking into account the economic conditions in the various countries concerned, in order to permit investment

Friday, 28 October 1983

planning in the long term and — when necessary — to allow differing periods of adjustment;

25. Although the inclusion of investment in GATT is extremely controversial among the contracting nations, it considers that studies on this subject would be useful, as they may contribute to transparency in, and promotion of, world trade;

26. Contractual trade arrangements in the form of cooperation and association agreements with States and groups of States should be further developed to replace traditional trade agreements;

27. The European Community must take over from the Member States a greater share of the responsibility for external trade than in the past, with the aim of preventing distortion of competition between the Member States and improving the negotiating position of the Community by coordinating external economic relations;

28. Intra-Community trade barriers should be reduced further in order to increase the international competitiveness of the European Community. This will also enable the Community to cut its tariffs to third countries still further so as to secure in return a lowering of import barriers in those countries;

29. The adjustments dictated by external economic relations should be made to conform to the liberalization requirement of the EEC Treaty in order to put an end to the individual restrictive measures increasingly being taken by the Member States. Campaigns to promote the buying of national products and measures to identify the national origin of products should be counteracted;

30. The Commission is asked to supplement the European Community's development policy with an industrial policy for the internal market and to coordinate these policies;

31. The objectives of such an industrial policy will include the creation of a long-term international constructive division of labour and the establishment of international rules for such a division of labour and the concomitant structural adjustments in order to ensure that the social and economic consequences of free trade accord with the specified economic guidelines;

32. Such an industrial policy will include the following measures in particular:

- the coordination of national structural policies with the aim of gradually replacing these with a common European structural policy,
- the observation and analysis of developments in the world economy, the supply of information to industry and the development of early, preventive adjustment strategies,
- the creation of the legal bases required to improve and facilitate economic cooperation between European undertakings across national frontiers,
- the development of a set of instruments for small and medium-sized undertakings to help them improve their participation in external trade by securing new markets and cultivating existing markets,
- the coordination of the structural adjustment measures required, the focusing of these measures on transitional and adjustment aids and the limiting of structure-preserving subsidies to short transitional periods,
- studies on special consideration for trade in high-technology products in an effort to bring about the dismantling of high tariff barriers in the long term,
- the promotion of innovation by creating a 'Community know-how exchange', procuring risk capital and developing a common approach to advanced and further training,
- the laying down of binding measures at Community level (and in cooperation with other third countries if they so desire) to control and ensure the transparency of market channels between companies — multinationals and their subsidiaries in particular — with regard to prices, re-importation and conditions of foreign investment, etc.;

33. Instructs its President to forward this resolution to the Council and the Commission.

Friday, 13 April 1984

RESOLUTION

on a Community energy tax on the consumption of hydrocarbons and its effects on energy policy

The European Parliament,

- having regard to its resolution of 11 March 1983 ⁽¹⁾,
- having regard to its opinion of 19 January 1984 on the communication from the Commission on a five-year programme of action ⁽²⁾,
- having regard to the report of the Committee on Energy, Research and Technology and the opinions of the Committee on Economic and Monetary Affairs and the Committee on Budgets (Doc. 1-92/84),

1. Invites the Commission to submit a study giving further details of its proposal for an energy tax as set out in 'a five-year programme of action and its financing', in particular paragraphs 38 to 44 thereof, in respect of its effects on (a) energy policy parameters and (b) economic activity if the tax is levied on:

- all or selected energy sources,
- all or selected consumption sectors,

⁽¹⁾ OJ No C 96, 11. 4. 1983, p. 97.

⁽²⁾ OJ No C 46, 20. 2. 1984, p. 90.

- consumption or imports;

2. Requests the Commission to state in its study whether the objectives of price stability and the provision of finance for energy investments can be met by a tax on consumption ⁽¹⁾;

3. Asks the Commission to state which legal provisions in the EEC Treaty and which administrative implementing procedures it envisages as the basis for introducing an energy tax (on consumption or imports);

4. Requests the Commission to investigate the feasibility of fixing an import levy on some or all energy carriers within the next negotiations on the General Agreement on Tariffs and Trade, in the interest of preserving the international competitive position of firms which are in any way dependent on these energy carriers, and, if this is found to be feasible, to submit proposals in this regard;

5. Requests the Commission to inform Parliament of the results of the studies referred to in paragraphs 1 to 4;

6. Requests the Commission in its analysis to describe the effects of an energy import and/or an energy consumption tax on:

- energy consumption,
- the competitiveness of the various industrial sectors nationally, within the Community and towards non-Community countries,
- inflationary trends in each Member State.

7. Instructs its President to forward this resolution to the Council and Commission.

⁽¹⁾ See paragraph 13 of resolution of 11 March 1983.

WRITTEN QUESTION No 126/84

by Mr Alan Tyrrell (ED — GB)

to the Commission of the European Communities

(13 April 1984)

(84/C 213/28)

Subject: The US manufacturing clause

Now that the GATT Panel has upheld the Community's complaint that the manufacturing clause of the US Copyright Act is in breach of GATT, what steps does the Commission propose to take to follow this up?

**Answer given by Mr Haferkamp
on behalf of the Commission**

(5 June 1984)

The Panel Report on the Manufacturing Clause has been adopted by the GATT Council on 15 May 1984.

The Commission would expect the US authorities to bring the manufacturing clause into line with its obligations under the GATT within a reasonable timeframe. This will require a new legislative Act by Congress.

WRITTEN QUESTION No 1236/83

by Mr Pierre-Bernard Cousté (DEP — F)

to the Commission of the European Communities

(25 October 1984)

(84/C 84/05)

Subject: Trade compensations obtained under the GATT

Can the Commission give an update on the talks held in GATT by Community authorities with the United States, in order to obtain trade compensations for the damage arising from the US decision to limit imports of special steels?

What results have been achieved and is the Commission satisfied with them? If not, what further steps does it intend to take, and when?

**Answer given by Mr Haferkamp
on behalf of the Commission**

(15 February 1984)

Since the imposition by the US authorities of import restrictions upon specialty steels last July in the form of additional customs duties and quantitative restrictions, Commission and US officials have held consultations within the framework of GATT Article XIX on the Issue of compensation for injury caused by these measures.

The Council of General Affairs decided on 29 November 1983 that the Community should, before 15 January 1984, send a list to GATT of compensatory withdrawals equivalent to the trade loss caused by the US import restrictions, provided the consultations referred to had not led to an adequate compensation offer by the US side.

In accordance with Council conclusions, the Commission submitted a list of compensatory withdrawals to the GATT on 13 January 1984.

The Community measures, taking the form of increases in customs duties as well as the imposition of import quotas, will be valid for one year, after which they can be extended.

The Community will either amend or withdraw these measures in the light of any decision which the US Government may take regarding its own measures restricting specialty steel imports.

WRITTEN QUESTION No 2319/83

by Mr Michael Welsh (ED - GB)

to the Council of the European Communities

(26 March 1984)

(84/C 188/91)

Subject: Remarks by the President-in-Office of the Council to the US Congressional Delegation to the European Parliament

In its written answer to my Oral Question No H-671/83 ⁽¹⁾, the Council confirmed that the speech made by the acting President-in-Office on January 20 was 'perfectly in line with the Council's position on the subjects dealt with'.

In this speech the President-in-Office stated that, since the United States had supported the enlargement of the Community through the accession of Spain and Portugal, it must be prepared to pay an appropriate political price, notably by accepting limitations on cereal substitute imports and the institution of a tax on vegetable oils and fats.

1. Why does the Council believe that it is incumbent on the Americans to pay a price for the Community's enlargement?
2. Does the Council believe that enlargement is conditional on the implementation of these measures?
3. Is it normal practice for such speeches to be drafted by the Council Secretariat presumed to speak for the Council as a whole, or are they prepared by the minister's private office?
4. Does the Council wish to reconsider its answer to Oral Question No H-671/83?

⁽¹⁾ Debates of the European Parliament, No 1 - 309 (February 1984).

Answer

(5 June 1984)

The Council confirms the reply it gave to Oral Question No H/671/83. The Commission proposals to which the Honourable Member refers should be seen in the context of the problems posed by reform of the CAP and enlargement.

As part of the series of decisions concerning the common agricultural policy that it took at its meeting on 31 March 1984, the Council authorized the Commission to open negotiations or consultations under Article XXVIII of GATT with a view to temporary and partial suspension of the tariff concessions for maize by-products.

The proposal introducing a tax on vegetable oils is still being examined by the Council.

Monday, 12 December 1983

RESOLUTION

on taxation of companies by American States

The European Parliament,

- A. Noting that a number of American States have adopted a world-wide system of taxing companies on an imputed percentage of their profits known as unitary tax, effectively taxing profits earned outside the USA,
- B. Aware that the US Supreme Court has accepted the legality of such a system for domestic US corporations,
- C. Concerned that this decision may be taken to extend to American companies with subsidiaries in Europe and the American subsidiaries of Community based companies,
 1. Considers that the principle of unitary tax is contrary to the spirit of the various double taxation treaties and discriminates unfairly against European-based companies with operations in the United States;
 2. Regrets that the United States Administration did not file an *amicus curiae* brief in the Supreme Court case of Container Corporation of the US v. California Trustees which would have enabled the position of overseas companies to be clarified;
 3. Urges the Administration to give full-hearted support to legislation before the Congress which would exempt overseas companies from this discriminatory form of tax;
 4. Urges the Commission to instruct its Delegation in Washington to continue to press this matter which can only damage relations between the Community and the United States to the detriment of their mutual economic and political interests;
 5. Believes that failure by the Administration and Congress to act in this way would justify the suspension of the double taxation treaties by the Member States;
 6. Instructs its President to forward this resolution to the President of the Commission, the Head of the US Mission to the European Communities and the Chairman of the Delegation of the US Congress to the European Parliament.

Friday, 16 March 1984

RESOLUTION

on export credit subsidies

The European Parliament,

- having regard to the motion for a resolution by Mr Sayn-Wittgenstein-Berleburg and others (Doc. 1-301/81),
- having regard to the report by the Committee on External Economic Relations and the opinion of the Committee on Economic and Monetary Affairs (Doc. 1-1482/83),

- A. stressing that, under Article 113 of the EEC Treaty, commercial policy falls within the Community's terms of reference,
- B. pointing out that national export subsidies have a harmful effect on the Community as a whole,
- C. stressing the need for the immediate harmonization of the various systems of export credit subsidies in force in the Member States,
 - 1. Welcomes the new agreement of October 1983 on export credit within the OECD;
 - 2. Notes that the improvements contained in this agreement include not only a reduction in minimum interest rates but also an automatic interest rate adjustment mechanism and a new system for lower interest rates;
 - 3. Points out, however, that some problems remain unsolved particularly in the fields of mixed credit and the inclusion of subsidies on agricultural products as well as in aviation and nuclear power generation;
 - 4. Renews emphatically its call to the Commission to draw up an inventory of these systems to ensure greater harmonization of the Member States' various export subsidy systems so that during a first stage, new national measures will be permitted only within a compulsory Community consultation procedure and during a second stage, all measures in this field will become the responsibility of the Community bodies ⁽¹⁾;
 - 5. Recommends that the Commission carry out a new study on the setting up of a European Export Bank which would also facilitate wider use of the ECU;
 - 6. Instructs its President to forward this resolution to the Council and Commission.

(¹) Resolution of 15 June 1977 (OJ No C 163, 11. 7. 1977, p. 42); Couste report Doc. 129/77.

Thursday, 19 May 1983

RESOLUTION

on combating the crisis in the European steel industry

The European Parliament,

- having regard to the motions for resolutions contained in Docs 1-152/81, 1-602/81, 1-718/81, 1-40/82 and 1-685/82,
- having regard to the resolution of 18 November 1982 ⁽¹⁾,
- having regard to the two resolutions of 18 February 1983 by the ECSC Consultative Committee:
 - on the revised general objectives for the steel sector for 1985 and
 - on the social aspects of the general objectives for the steel sector for 1985.
- having regard to the hearing of 24 February 1983 and 16 March 1983 by the Committee on Economic and Monetary Affairs on the steel crisis,

⁽¹⁾ OJ No C 334, 20. 12. 1982, p. 81.

Thursday, 19 May 1983

- having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Social Affairs and Employment (Doc. 1-238/83),

A. concerned

- that after the disturbing fall in demand for steel caused by:
 - a general slump in growth as a result of the world economic crisis,
 - the reduced range of specific applications for steel as a consequence of technical progress and
 - the substitution of steel with other materials,an incisive increase in steel requirements cannot be expected in the immediate future,
- that after the loss of 247 000 jobs in the steel industry in the period from 1974 to 1981, the Commission is proceeding on the assumption that a further 150 000 jobs will be shed in the period from 1982 to 1986.
- that because of undercutting, made possible by subsidies, and overdue restructuring processes, together with the increasingly high level of borrowing, the risk of company failure is steadily growing,
- that there is an increasing danger of economic decline and of entire regions becoming economic wastelands with the related loss of opportunity for the coming generation,
- that the failure of certain steel undertakings to comply properly with the Commission's regulations on prices and production quotas is jeopardizing the success of the measures introduced to combat the crisis pursuant to the ECSC Treaty, of the decisions by the EEC Council of Ministers and of the crisis management agreed voluntarily by the steel undertakings,
- that the crisis in the European steel industry will have uncontrollable and adverse repercussions on:
 - other sectors of the economy,
 - the economic structure in the relevant sector and regions,
 - social peace in the regions concerned,
 - the development of the European integration process,

- B. whereas a further reduction in the present excess capacity is essential for the future competitiveness of the steel and steel-processing industries and suitable measures must be initiated to provide the workers, undertakings and regions concerned with adequate aid for a fixed transitional period of restructuring and in addition support must be given to all public and private efforts which aim to create a sufficient number of secure jobs through the introduction of new products and services,

1. Notes that:

- in the general objectives for the steel sector for 1985 both the present situation and the probable developments have been described on the basis of a realistic analysis,
- the following factors should be taken into account in order to prevent a further decline in the steel sector:
 - (a) incorporation of the iron and steel industry into a general industrial policy to be defined by the Commission,
 - (b) stimulation of demand for steel products as a result of policies to restore investment-lead growth to the economies of the Member States,

Thursday, 19 May 1983

- (c) advantages accruing from improved competitiveness and a balanced Community policy for external trade,
 - (d) inclusion of further steel products in the list of products which fall under the responsibility of the Commission;
2. Insists on the need to pursue further the restructuring of the iron and steel industry and the reduction in production capacity within the framework of a real common market in steel, and in so doing:
- (a) to take full account of the degree of plant obsolescence and efficiency and the efforts already undertaken since 1977 — when the steel crisis measures were introduced — at the very least as advocated in paragraph 8 of the European Parliament resolution of 18 November 1982,
 - (b) to ensure that this common market is capable of offering appropriate and dynamic opportunities to the Member States and the undertakings located therein, while taking account of traditional trade flows and the proportions of the total output of the EEC and the regional steel production bases accounted for by the undertakings in the Member States. The regions concerned must not be allowed to become economic disaster areas as a result of the shedding of capacity in the iron and steel industry. The creation of replacement jobs by the expansion of existing firms — particularly small and medium-sized undertakings — and the attraction of new industry with the aim of achieving a balanced economic and employment structure must therefore be a priority concern of all those responsible;
3. Regrets that the Commission reviews the general objectives for the steel sector only once every five years and calls for updating at shorter intervals — every two years at least — and a review to take account of the current serious developments on the steel market;
4. Calls on all concerned to ensure that the necessary steps are taken to achieve a new market balance by 1985, as indicated in the general objectives for the steel sector, and emphasizes that in order to survive the steel industry must offer its customers quality products at competitive prices;
5. Calls on the Commission to review quotas in the context of the restructuring proposals due by the end of June 1983, taking into account the actual capacity of the undertakings, and bearing in mind the obligation laid down in Article 2 of the ECSC Treaty to ensure the most rational distribution of production at the highest level of productivity and supports the Commission in its efforts to implement effective checks on compliance with the new allocation of production quotas and prices and in respect of sanctions against illegitimate subsidies;
6. Recognizes that historical quotas produce inherent inequities, in particular that companies are artificially restricted from altering their market mix, i.e. the relative volume of different products which they sell, in response to changing market conditions and that some companies may thus receive arbitrary advantage or disadvantage;
7. Considers that:
- even greater attention than hitherto must be devoted to pricing policy and the price level should be steadied through the combined action of guide prices and the fixing of quotas and having regard to the ruling world prices for equivalent products,
 - further necessary price increases must be implemented in reasonable stages after appropriate consultations with the aim of improving the profitability of the steel undertakings and guaranteeing the competitiveness of the steel-processing industry,
 - a commitment to monetary discipline and then to stable exchange rates is necessary if further distortions to competition are to be avoided;

Thursday, 19 May 1983

8. Takes the view that:

- the Community institutions have suitable instruments at their disposal to enable them to tackle the social problems which are being exacerbated by the continuing crisis in all Member States; particular reference should be made to Articles 2, 3, 5 and 56 of the ECSC Treaty and other Community regional and social aid,
- Commission, Council, employers and workers must make a major effort to maintain employment and gain acceptance for proven and new types of training and retraining concerned, promote the further training and retraining of workers in the steel undertakings themselves and outside in appropriate vocational training institutes with a view to ensuring the full utilization of training capacities in the steel undertakings and training young people for skilled employment;

9. Welcomes the suggestions put forward by the Commission concerning social support provisions to assist restructuring in steel producing areas and calls on the Commission and Council to take an early decision to make available the necessary financial resources and to set in motion a medium-term social programme to:

- (a) continue with aid to national measures relating to workforce reduction, allowing agreements on early retirement particularly by means of legislation or other measures with equivalent effect,
- (b) continue to provide support for those on short-time work,
- (c) reduce working time, provided that the cost of such measures can be borne by the undertakings and that they have been agreed by the social partners, for example the introduction of a fifth shift,
- (d) promote, by means of recruitment incentives, the reabsorption of redundant workers into new employment, including experimental temporary employment projects,
- (e) accelerate further training, retraining and initial training with a view to the conversion of undertakings,
- (f) support the work of coordinating bodies, which have a particular responsibility in the field of employment planning, in the regions affected by conversion measures;

10. Calls on the Commission:

- to apply specific measures to restrict imports from third countries, which enter the Community in violation of the existing rules, so that the severe disturbances which this causes to the market and to employment can be quickly stopped,
- to re-examine regularly the voluntary restraint agreements which it has made with various supplying countries, in order, if necessary, to be able to adapt the agreements with the principal suppliers — to take account of the steadily falling demand for steel products — and further to shorten the intervals at which national import statistics are submitted to Brussels,
- to ensure that voluntary restraint agreements are not based on overall quantities of steel but are broken down by product, supplying region or supply period;

11. Believes it to be urgently necessary to secure an unrestricted common EEC steel market and therefore calls on the Commission and the Council to do their utmost to ensure that the causes which give rise to demands for the introduction of frontier checks within the EEC are eliminated;

12. Calls for a consistent application of the EEC aid code, to prevent ruinous rivalry between the national governments in the matter of subsidies, which leads to constant and damaging undercutting and creates new sources of loss for the steel undertakings;

13. Calls on the Commission to make forceful representations to the Council of Ministers to ensure that in the steel regions concerned, an economic and employment policy initiative is

Thursday, 19 May 1983

taken on the basis of common strategies, which will quickly reduce the unemployment rate and gradually achieve full employment by means of:

- (a) financial support for policies which encourage job-creating investment, with the aid to be coordinated and its use monitored,
- (b) appropriate practical aid measures for undertakings, irrespective of whether they are large, medium or small, aimed at encouraging new projects and supporting investment plans;

14. Calls on the Commission to make available, within the framework of a European steel policy, additional resources for the following purposes:

- (a) implementation of a research programme both in the field of new and alternative sources of energy — with particular emphasis on non-pollutive coal refining — and in that of cost reduction in energy saving investment, with special reference to steel production,
- (b) extension of cooperation with the developing countries,
- (c) development of economic relations with the East European States,
- (d) coordination and intensification of research and development efforts in the Community, in particular communication in the field of steel research must be improved, to avoid costly 'multiple' research,
- (e) to devote particular attention to activities and investments which encourage the use of steel;

15. Calls on the Commission to introduce, or apply more forcefully, the following measures taking account of the abovementioned efforts towards economic recovery and the development of a comprehensive industrial policy;

- (a) maximum utilization of all Community financial instruments, together with those of the ECSC, which need to be considerably strengthened,
- (b) support for the industrial conversion efforts made by individual Member States and undertakings as part of the programmes which are particularly concerned with the effects of the restructuring of the steel industry,
- (c) support for the efforts made by Member States from which migrant workers come, to create jobs for unemployed Community steel industry workers who return home, by applying all available social back-up measures and aids in such cases,
- (d) intensification of Community efforts in all regions which are most severely affected by restructuring measures, through prompt implementation of the plan to increase the resources of the EEC Regional Fund and in particular the non-quota section in the framework of integrated regional development programmes;
- (e) assistance to these regions through appropriate pump-priming by means of public and private investment programmes,
- (f) the provision, at as early a juncture as possible, of a comprehensive survey of the possibilities open to the Community with regard to the conversion of undertakings — in which the instruments provided by the ECSC should be suitably associated with the other resources available to the Community and placed at the disposal of all those concerned,
- (g) appreciable increase in low-interest loans under the ECSC Treaty, plus the provision of low-interest credit under the New Community Instrument NCI (the 'Ortoli facilities');

16. Calls on the Commission and others responsible to make greater efforts in the spirit of the ECSC Treaty to safeguard the living standards of workers in the steel industry and to safeguard and improve working and living conditions.

The Commission is asked to submit as soon as possible a Directive on the rights of workers in the European Community in relation to inventions and improvements suggested by them, which should be accompanied by a report on the progress achieved and developments in this

Thursday, 19 May 1983

field in the industrialized nations, in particular in Japan and the USA. It is suggested that an annual award (the European Prize for Worker Inventors) should be created. There must be participation by workers and their unions;

17. Requests the Commission, the Council and the undertakings, with participation by workers and their unions, to implement a Community action plan on a broad band of vocational retraining measures for workers in steel companies and associated areas, to create without delay the organizational and legal prerequisites within the framework of the fundamental provisions of the ECSC/EEC Treaty and to provide the necessary financing with the aim of providing as many workers as possible with a vocational qualification or higher vocational qualification;

18. Expects the Commission to inform all those involved in the steel sector — the Economic and Monetary Affairs Committee of the European Parliament, firms and workers and regional governments or authorities in the steel areas — in good time and in detail of its preparatory and investigation work, and any decisions about to be taken by the Commission and its agencies on the plans submitted for restructuring the steel sector and the social and regional support measures to enable them to express their opinions and for these to be taken into account.

The same applies to the period of implementing restructuring and support measures;

19. Advocates after due consideration of all aspects and foreseeable trends, that steel crisis management under the ECSC Treaty — above all the quota arrangements in Article 58 — should be continued until 1985 on the basis of voluntary arrangements to prevent discrimination against firms willing to restructure, to ensure European solidarity by a fair apportionment of the burden and to restore balance to the European steel market;

20. Emphasizes the importance of safeguarding and developing economic and trade links in the steel sector between the European Community and the USA, the Western industrialized States and the newly industrialized countries on the basis of GATT rules and OECD Agreements with the aim of securing fair competition for the benefit of all those concerned.

To this end the Commission should organize regular talks between those involved to ensure a steady mutual flow of information, to promote the exchange of information and, if necessary, initiate appropriate action;

21. Asks the Commission to present a summary of the studies, programmes and measures planned on the basis of Article 46 of the ECSC Treaty or implemented since 1975 and at the same time to comment on the outcome; the same applies to sections (4) and (5) of the third paragraph of Article 46.

22. Appeals most strongly to the undertakings in the steel sector (manufacturers, dealers, processing firms) to pay greater attention than hitherto to consistent adherence to Community steel crisis management procedures in their own ranks and to fair competition on the internal Community market in relation to both import and export transactions. Emphasizes that the solution of the steel crisis cannot be seen in isolation and that measures in favour of the steel industry cannot be allowed to jeopardize the competitiveness of steel processing firms;

23. Asks the Commission and Council to prepare, and hold as soon as possible, the steel conference which was proposed by the European Parliament on 18 November 1982 and has since received the unanimous support of the ECSC consultative Committee, with the participation of representatives of the Council, the Commission and European trade unions and employers' associations in the steel sector;

Thursday, 19 May 1983

24. Draws express attention to the demand formulated in its resolution of 18 November 1982 that, given the worsening crisis and the vital decisions to be made, the Commission and Council should in the course of the next 12 months furnish the Committee on Economic and Monetary Affairs promptly and comprehensively with regular reports, both written and oral, on the current situation, the foreseeable developments in the steel sector and the planned measures relating thereto, and the decisions of the Commission, the Council, governments, steel undertakings, as well as those taken within the framework of Eurofer and EISA;

25. Instructs its President to forward this resolution to the Commission, the Council, the governments and parliaments of the Member States and to the ECSC Consultative Committee.

Thursday, 13 October 1983

RESOLUTION

on the crisis in the European steel industry

The European Parliament,

- A. whereas the difficulties experienced by the steel industry have not by any means been resolved since the situation is still worsening in terms of both the quantities produced and prices,
 - B. having regard to the problems that were highlighted at the meeting of the World Steel Institute in Vienna,
 - C. whereas in a situation of this kind it is particularly urgent to arrive at a solution to the structural problems,
 - D. having regard to the additional difficulties on the Community steel market caused by imports from third countries,
 - E. having regard to the protection measures decided by the United States in respect of certain categories of steel,
 1. Demands that the voluntary restraint agreements concluded with a number of third countries should be substantively improved along the lines of the resolution adopted by the European Parliament on 19 May 1983 ⁽¹⁾. Moreover quantities should be adapted to developments on the steel market;
 2. Calls upon the Council, following its decision of 19 March 1983, to take a further decision concerning the financial resources to be made available for the accompanying social measures proposed by the Commission;
 3. Urges the need for a decision on the allocation of part of the appropriations in the non-quota section of the Regional Fund for measures to assist the steel-making regions which are particularly hard-hit by the crisis;
 4. Calls for an immediate decision to extend the quota system until 1985 and appeals to the Council and to the Eurofer Association to reach a positive conclusion in the very near future;
- (1) OJ No C 161, 20. 6. 1983, p. 142.
5. Pursuant to its resolutions of 18 November 1982 ⁽²⁾ and 19 May 1983 ⁽¹⁾, calls upon the Commission and the Council to take full account, in the context of restructuring as part of the anti-crisis system, of the efforts already made (reduction in production capacities and in the number of jobs) since 1977 in which the Community took its first anti-crisis measures;
 6. Demands that the European steel conference called for by the European Parliament in its May 1983 resolution ⁽¹⁾ should at long last be held;
 7. Strongly supports the Commission in its efforts to persuade the US Government to refrain from imposing new import restrictions on certain categories of steel (special steels);
 8. Instructs its President to forward this resolution to the Council and the Commission.

(2) OJ No C 334, 20. 12. 1982, p. 82.

Thursday, 16 February 1984

RESOLUTION

on the situation of the iron and steel market

The European Parliament,

A. having regard to the latest Council decisions relating to the steel industry (extending the application of Article 58 of the ECSC Treaty),

1. Again expresses its concern regarding the transparency of the system set up until 1985 in order to avoid the distortions noted between 1980 and 1983 between the Member States' respective shares of the market;
2. Repeats its support for fair distribution of the sacrifices demanded;
3. Calls on the Community to take a firm line with regard to the renewal of protectionism in the steel industry in the US;
4. Asks the Commission to apply to exports from third countries to the Community rates of reduction corresponding to those applied to Community production;
5. Insists that undertakings should rapidly take the necessary measures to ensure strict compliance with the rules governing prices and quotas, in the context of the extended application of Article 58;
6. Appeals urgently to the Council to adopt without delay the social support programme and to implement the regional policy measures (aid for reconversion, etc.) in the steel-producing regions worst affected by the crisis;
7. Calls for the steel conference requested by the European Parliament to be held as soon as possible;
8. Instructs its President to forward this resolution to the Commission and the Council.

Thursday, 11 October 1984

RESOLUTION

rejecting an increase in steel imports from third countries

The European Parliament,

- A. having regard to the proposal from the Commission to the Council entitled 'Steel: External measures 1985' (COM(84) 516 final) of 17 September 1984 which provides for a relaxation in the policy on steel imports from third countries and a perceptible increase in the volume of imports for 1985,
- B. in view of the likelihood that the substantial import restrictions imposed by the USA will result in a surplus of steel products on the internal market of the European Community, since these products will be unable to find outlets in the USA,
- C. in view of the uncertain economic prospects for 1985, notably as regards a number of steel products,
- D. in view of the additional threat to steel jobs in the European steel industry, the stabilization of the market and prices achieved at great cost and the likelihood that the restructuring of the European steel industry — carried out at considerable social sacrifices — will be disrupted,
- E. in view of the meeting of the Council of Finance and Industry Ministers scheduled for 15 October 1984,
 1. Expects the Commission, in view of the most recent developments, to amend its proposal by deleting increases in steel imports and other relaxation measures from its final submission to the Council;
 2. Calls on the Council to reject the relaxation of imports and the increases in the volume of steel imports from third countries for 1985 proposed in the Commission document referred to above and to apply existing control instruments consistently;
 3. Instructs its President to forward this resolution to the Council, the Commission, the Governments and Parliaments of Member States and the ECSC Consultative Committee.

WRITTEN QUESTION No 1703/83
by Mr Willy Vernimmen (S — B)
to the Council of the European Communities
(23 January 1984)
(84/C 105/30)

Subject: Exports of special steels to the USA

At its meeting of 17 and 18 October 1983, the Council noted that the USA is not in fact prepared to offer any fundamental compensation for the unilateral measures it has adopted — against GATT rules — regarding European exports of special steels.

The Council nevertheless continues to prevaricate.

Will the Council state:

- how much damage European exporters have already suffered as a consequence of the American measures?
- when the Community will at last adopt effective counter measures, instead of holding sterile discussions while American measures are stepped up?

Answer

(15 March 1984)

The United States, availing itself of Article XIX of GATT, unilaterally increased customs duties on certain steel products (sheet, strip and plate) and imposed quantitative restrictions on others (bar, rod, tool steel) with effect from 20 July 1983. These measures are valid for a period of four years and will be progressively reduced.

Because of the considerable injury suffered by the Community producers concerned and because of the upsetting of the balance of concessions and obligations ensuing from the General Agreement, the Community immediately opened consultations with the United States under the terms of paragraph 2 of Article XIX of the GATT to obtain compensation for the damage sustained. This damage was estimated by the Community, for the first year of application of the measures, at US \$ 3.7 million in terms of additional customs receipts resulting from the increases in duties and at US \$ 24.2 million in terms of reduced export capacity under the quantitative restrictions. It should be stressed that this estimate is conservative.

The consultations with the United States, which were detailed and extensive, did not enable a satisfactory amicable agreement to be reached. In these circumstances, the Council felt it was necessary to have recourse to the option laid down by paragraph 3(a) of Article XIX, which allows the Community to take compensatory measures unilaterally. The list of these measures, as adopted by the Council, was notified to GATT on 15 January 1984, which means they can enter into force upon expiry of a period of 30 days.

The Commission has just submitted to the Council a draft Regulation to implement these measures on 1 March 1984. The measures take the form of increases in duties for some products and the imposition of quantitative restrictions for others. Like the

American measures they will be progressively reduced and fall within the limits of the estimate given above.

WRITTEN QUESTION No 309/84**by Mr Willem Vergeer (PPE - NL)****to the Commission of the European Communities***(23 May 1984)**(84/C 232/31)***Subject: Quotas on ski imports from the United States**

After the United States had imposed restrictions on imports of special steel from the Community, the Community decided, following negotiations on possible compensation, to take retaliatory measures, which came into effect on 1 March 1984. These measures comprise an additional levy on chemical products and quotas on imports of certain products, including sport articles (for example, skis and sports clothing). Without disputing the actual principle of retaliatory measures, I would like to point out, that this action raises the following questions:

1. With respect to the ski sector, it should be noted that, although the Community represents a good market for American skis, the European ski-manufacturing industry is flourishing, with a considerable number of European skis also being exported to the United States. As a result, quotas on ski imports from the United States create considerable difficulties for European ski dealers.

What reasons prompted the Commission to impose retaliatory measures on this sector, which has nothing to do with special steel? Is the Commission aware that instead of causing problems for American industry such quotas will mainly hit European dealers, which are all small or medium-sized undertakings? Should not European policy, particularly in view of the recent 'year of the small and medium-sized undertaking', be geared more to stimulating the activities of SMUs rather than to making it impossible for them to operate?

2. Does not the Commission feel that, if retaliatory measures need to be taken, these should be directed against imports of products that cause problems for European industry?
3. Does not the Commission feel that in view of the above considerations the retaliatory measures concerned should be withdrawn and that other retaliatory measures should possibly be considered? Will the Commission submit a new proposal to this effect to the Council?
4. How does the present arrangement ensure that dealers who started importing skis or other quota-restricted products as recently as 1983 receive a fair share of the fixed quota?

**Answer given by Mr Haferkamp
on behalf of the Commission***(11 July 1984)*

As the Honourable Member points out, the EEC decided to increase customs duties and to introduce quantitative restrictions on certain products originating in the United States, as from 1 March 1984, as compensatory measures under GATT Article XIX after the United States had imposed restrictions on imports of special steels from the Community.

With respect to skis, one of the products affected by the EEC action, the Commission would like to make the following points:

- in drawing up the list of products, the Commission noted that it was not possible to take compensatory measures in the steel sector because of the composition and volume of EEC imports of steel from the United States. In making its choice of products, the Commission took into account several factors, e.g. whether the EEC needed to import such products and the structure and the trend of the United States' exports to the EEC,
- the compensatory measures taken by the EEC cannot cause any difficulties for Community exports of skis to the United States, the import arrangements for which are to remain unchanged,
- the compensatory measures have the effect of making the US products concerned less competitive on import into the EEC. This gives a competitive advantage to the corresponding Community products,
- the EEC will change or cancel the compensatory measures in the light of the decisions which may be taken by the United States Government regarding its own import restrictions. The uncertain duration of the compensatory measures prevents them from being used as a means of tackling any problems of economic adjustment within the EEC,
- the allocation of the quotas as between the Member States is carried out according to the procedure laid down in Article 1 of Council Regulation (EEC) No 1023/70⁽¹⁾ on the basis of the Member States' imports for 1982. It is up to the authorities in each country to ensure that import licences are allocated fairly among the various importers.

Moreover, that EEC has decided that the quantitative quotas in question shall be calculated according to the ECU/\$US exchange rate in force on 1 February 1984, the effect of which is to increase the level of these quotas as expressed in ECU by about 20 %.

⁽¹⁾ OJ No L 124, 3. 6. 1970.

15/11/84

RESOLUTION

on famine in Ethiopia and the Sahel

The European Parliament,

- A. Appalled by the famine afflicting Ethiopia and the Sahel, which threatens the lives of the nine million people,
 - B. welcoming the aid provided by the Community which already in 1984 amounts to 80 million Ecu,
 - C. welcoming the speedy response by the Commission and the Council to the demands of the European Parliament by the organisation of a further 32 million Ecu of supplementary aid, which is made possible by the existence of food surpluses,
 - D. recalling that the grain harvest in the European Community this year is estimated to be about 15 million tonnes higher than any previous year,
 - E. insisting, however, that the aid provided so far by the Community, by Member States and other international organisations and nations is utterly inadequate,
 - F. stressing the ability of NGOs to get the aid directly and efficiently to the starving,
-
- 1. Calls on the Commission acting in cooperation with the Governments of Member States to provide as much grain from the stocks of the Community as possible, not only to meet immediate needs, but to provide reserves in the affected areas for future use;
 - 2. Demands that the Commission open a special tender on a weekly basis in order to allow those African countries suffering from severe drought to have continuous access during 1985 to grain at preferential prices;
 - 3. Urges the Commission to utilize funds, once the 1985 budget is decided, to promote co-financing of grain purchases with NGOs;
 - 4. Encourages the Commission to take whatever steps are necessary to coordinate the relief actions of the Community with other aid donors;
 - 5. Calls on the EEC to make long-term provision for cereals stocks in Africa which would be available for use at any time;
 - 6. Requests that the Commission keep the Parliament informed on a fortnight basis as to the food situation in Africa and the implementation of Community food relief operations;
 - 7. Instructs its President to forward this resolution to the Council and the Commission.

Monday, 13 February 1984

RESOLUTION

on the role and functions of the international financial institutions in the present monetary situation

The European Parliament,

- having regard to the report by the Committee on Economic and Monetary Affairs (Doc. 1-1263/83),
- A. Recalling that the post World War II financial institutions, as represented by the IMF and the World Bank, were entrusted with the task of ensuring a coherent and stable international system;
- B. Aware of the growing importance of the BIS in the international finance system, in particular since the 'Basle Concordat' of 1975;
- C. noting the recent call by the Commonwealth leaders in New Delhi for a new Bretton Woods Conference;
- D. Observing, however, that since then dangers have been visible on many fronts, such as the reduced control of the IMF over the adjustment process due to floating exchange rates and the existence of a large uncontrolled Eurocurrency market, the inadequacy of the funds of the World Bank and the IMF to finance Third World needs, and rising disequilibria in LDC's;
- E. Drawing attention to the dramatic increase of sovereign lending by the private sector after the first major rise in oil prices at the end of 1973 when the burden of financial re-cycling was assumed largely by commercial banks with whom the bulk of the OPEC surplus was deposited;
- F. Considering that, as a result of the second oil shock, almost all the non-oil developing countries have been affected by the combination of high real interest rates (including spreads over LIBOR) and of adverse terms of trade that resulted from the world recession;

Monday, 13 February 1984

G. Observing that in the present situation borrowing countries either deflate or attempt to increase their indebtedness further with risk of country default and potentially snowballing consequences that could endanger financial stability and accentuate the world recession;

H. Considering that the banking industry is inevitably involved in the fortunes of its borrowers;

1. Draws attention to the increase of floating interest debts together with the sharp rise in their cost, which largely explains the major increases in interest payments of developing countries in recent years;

2. Expresses its concern at the risk that some indebted governments may prefer the short-term advantage which would result from a default; such a default would in fact endanger financial stability and build up further depressionary elements;

3. Points to the difficulties that default by countries would create for commercial banks as regards their own balance sheets; in this case banks acknowledging a capital loss, ought to depreciate substantially their loans;

4. Is convinced of the need to take action as regards:

- the existing and potential liquidity problems of the borrowers (short-term problem);
- The stability of the world financial system through coordinated measures leading to a sustained economic recovery (longer-term question);

5. Is convinced also that the aim should therefore be to maintain a moderate level of net new credits to the debtor countries while their adjustment process is underway, and then to limit future recourse to bank credits once countries have regained their creditworthiness;

Debt restructuring and international institutions

6. Believes that there is no need for new international financial institutions; the effort that would be required to create a new institution ⁽¹⁾ should be directed to the solution of the problems themselves;

7. Declares its conviction that debt restructuring should be accomplished by adopting and widening the role of the existing international financial institutions;

8. Believes that the IMF is already playing a very important role by facilitating the flow of loans to the debtor countries and increasing the payoff to banks by avoiding default by borrowers;

9. Suggests in particular that once a reasonable programme has been agreed between a country and the IMF, the creditors should be brought in to satisfy themselves about the plan's viability and even to offer suggestions for improvement; the IMF should then propose the rescheduling of existing debts taking into account not only immediate cash requirements but also the projection of earnings and expenditure over a long period of time;

10. Suggests also that the IMF's approach be sufficiently flexible in order to take into account those poor countries enjoying very limited access to private sector for lending of any

⁽¹⁾ See Peter B. Vienen 'A Bail-out Plan for Banks', New York Times, 6. 3. 1983.

Monday, 13 February 1984

kind. It would be suitable, in this case, to have both a policy of relatively generous lending to such countries under multi-annual programmes and an expansion of the Compensatory Financing Facility;

11. Judges it very important to tighten the IMF's task of surveillance. Furthermore, when establishing the recommendation for a loan the IMF should pay due attention to reconciling the differing goals of 'equal treatment' and 'tailor-made solutions';

12. Criticises the extent to which the commercial banks have got involved in long-term lending to finance some capital investment and structural deficits in the balance of payments by means of short and medium-term loans.

Such finance, in fact, should be provided by the World Bank and the regional development banks, whose role would have to be increased.

Also criticises the international monetary authorities and national governments for having encouraged commercial banks to become more and more involved;

13. Emphasises the importance of strengthening the World Bank's long-term lending, which means that the resources at its disposal should be increased;

14. Is aware, in this context, of the proposal by the 'Brandt Commission' that the gearing ratio of the World Bank should be increased from 1 : 1 to 2 : 1. Is also aware of the serious obstacles in the way of an increase of this kind, such as the effect that it could have on the World Bank's existing bondholders;

In addition, the present ratio 1 : 1 is somewhat theoretical since only 7,5 % of the capital of the World Bank is actually paid up;

15. Wishes that an increase in the resources available from the World Bank be achieved by an increase in the subscribed capital, an increase in the paid-up element or a change in the borrowing ratio. Each of the changes would require an amendment of World Bank's Articles of Agreement and would therefore take years to accomplish. Changes of this kind have little reference to the current monetary crisis but they would be useful to assist in long-term economic development in the Third World;

16. Is firmly convinced that the World Bank should try to achieve greater leveraging of its resources by means of co-financing with commercial banks and export financing agencies in industrial nations. It therefore approves the Bank's trial programme, adopted early in 1983, more closely linking the finance provided by commercial lenders with the Bank itself;

17. Urges the contributing States to agree forthwith an increase in the resources of the IDA in order to meet better the needs of the poorest countries and calls on the European Community to play a leading role in convincing the USA in particular of the importance of so proceeding.

Restructuring of private-sector lending

18. Stresses the importance of the banking system and world capital market as a source of international credit;

19. Draws attention to the fact that debt crises may create liquidity crises in the banking system; and urges the central banks to clarify their responsibilities among themselves in this respect;

Monday, 13 February 1984

20. Notes with satisfaction the recent improvement in the surveillance procedures under the 'Basle Concordat', regrets, however, the lack of adequate supervision of banks in off-shore centres. Believes that a tightening should proceed gradually and prudently to avoid the danger of 'competitive non-control' with banks gravitating to financial centres where controls or prudential requirements are less onerous;

21. Calls for a Community approach to official discussions on the international financial system and the rescheduling of the external debt of countries in difficulty, especially as regards regions or countries with which EEC's relations are particularly close;

22. Points also to the lack of information. Commercial banks do not appear to have adequate information at their disposal as regards their exposure in particular countries, the BIS systems being available for use by banks only after a long interval and IMF and World Bank information obtained on a confidential basis and therefore not readily available;

23. Welcomes, in this context, the setting up in Washington by American, European and Japanese banks of an institute of international finance as an information exchange between borrowing countries and members of the Institute.

World economic situation and international monetary issues

24. Notes that there are some signs of improvement in the world economic situation. The economic recovery in the USA, contrary to the expectations of most of the American economists, now appears to be established and will lead to an increase in export earnings in the Third World countries. Furthermore the countries of Eastern Europe have been able to control their imports to the extent that they are now running a trade surplus with the West.

Both these developments will reduce international indebtedness and lessen the tensions in the international monetary system;

25. Believes, nonetheless, it would be a great mistake if this improvement was used as an excuse for inaction given that the international monetary situation remains fragile and that many of the serious problems which have affected it in recent years could reoccur.

26. Welcomes the growing appreciation of the importance of capital flows between nations as determinant of trade surpluses, in particular as recently exemplified in negotiations between Japan and the USA;

27. Believes there is no requirement for a New Bretton Woods Conference as requested by the Commonwealth leaders in New Delhi if by that is meant a conference to redesign the world's financial system; Believes also that the existing financial institutions should organize a conference or a series of conferences on aspects of existing economic systems with a view to improving the workings of the whole system. In particular, attention should be paid to the following objectives:

- to study the events affecting the monetary system in the past decade (with a view to learning a lesson from them);
- to decide upon improvement to the role and functioning of the existing international financial institutions;

Monday, 13 February 1984

— to coordinate national economic policies at an international level in a manner which would parallel the similar coordination of national economic policies which is taking place within the EEC.

28. Instructs its President to forward this resolution to the Council, the Commission and the Parliaments of the Member States of the Community.

Thursday, 29 March 1984

RESOLUTION

on the Community's external trade and the problem of global financial instability

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Seeler, Mr Radoux, and Mr Pelikan (Doc. 1-1023/82),
 - having regard to the communication from the Commission to the Council on financial integration in the Community (Doc. 1-231/83),
 - having regard to its numerous resolutions on these and allied matters,
 - having regard to the report of the Committee on External Economic Relations (Doc. 1-1542/83),
- A. believing that renewed prosperity and economic growth within the Community, full employment, and improved standard of living for the peoples of Europe and better international understanding and cooperation are all dependent on a renewed increase in world trade,
- B. convinced that international financial instability, as evidenced by wide and uncontrolled fluctuations in exchange rates and by the crisis in liquidity and banking problems, is an obstacle to the development of world trade and a threat to the welfare of individual countries and the international community as a whole,
- C. believing that many of the pressures on the GATT system stem from the breakdown of many of the international arrangements of the post-war economic settlement,

Thursday, 29 March 1984

- D. noting the difficulties posed for the financing of international trade by the world's current liquidity and banking problems,
- E. concerned by the prospect of countries engaging in competitive devaluation to gain trade advantages and by the protectionist problems associated with a weak US dollar and a strong Japanese yen,
- F. noting the modest success achieved at the Summit Conferences at Versailles and Williamsburg but convinced of the necessity that much more effective measures will have to be taken in order to overcome the current worldwide economic crisis,
- G. willing to study and consolidate the proposals made in this resolution with the authorities mentioned in it at an international conference; the preparation and organization of such a conference should be undertaken by the relevant committee of the newly-elected Parliament as soon as possible;

I. *As regards exchange rate instability*

- 1. (a) Given the continuing divergence of the economies of leading industrial countries, a return to a system of fixed exchange rates is at present neither financially possible nor politically feasible.
 - (b) Nevertheless, the existence of an exchange rate system of a more flexible nature should not imply that frequent or wide day-to-day fluctuations in currency values will have to be accepted.
 - (c) Such fluctuations distracting of management time and effort, are discouraging to export activities and to investment and have a depressing effect on world trade.
 - (d) Currency instability encourages demands for protectionism or competitive devaluation in countries with high-value currencies or which are otherwise uncompetitive. The Parliament strongly condemns such threats to world trade.
 - (e) Intervention on the currency markets should in no way be excluded as a means of influencing currency stability; therefore, the possibilities of limited joint intervention should be re-examined.
 - (f) Progress towards convergence in the economies of the Member States of the OECD should not be based on money-supply policy alone but should include exchange rate targets.
 - (g) The acceptance by the US Government of large budgetary and trade deficits, compensated by very high interest rates, has damaged both trade and investment in the Community and tended to delay world economic recovery.
2. The Parliament therefore:
- (i) Welcomes the decision at the Versailles summit, reinforced at Williamsburg, that Finance Ministers should study these problems.
 - (ii) Calls for an acceleration of the work of the Finance Ministers Deputies and for the early presentation by them of proposals for greater stability in exchange rates.
 - (iii) Requests that the work of the Deputies be fully integrated with that of the OECD, GATT, IMF and BIS.
 - (iv) Calls upon the Governments of Member States of the Community to seek to persuade with renewed emphasis the Government of the United States to adopt a less inflexible and absolutist approach to the problem of the dollar exchange rate and to move to a lower level of interest rates.
 - (v) Welcomes the formation of US/Japan Consultative Forum on monetary problems and calls for the Governments of the Member States and the Commission to consider the

Thursday, 29 March 1984

best way of opening discussions with the Japanese Government on the parallel problems for Europe.

- (vi) Strongly endorses considered intervention by the Central Banks of Member States to smooth out temporary fluctuations.
- (vii) Believes that the Central Banks should continue to study and practice joint intervention to correct 'overshoot', where this is likely to be effective.
- (viii) Draws attention to the importance of limited intervention as a means of signalling to currency holders and giving time for corrective policies to become effective.
- (ix) Accepting that the prudent management of corporate assets requires a reasonable return, stresses that the main task of manufacturing companies should be the production of tangible wealth and looks to the Finance Ministers of the Community to ensure a state of affairs where the return on productive investment is more attractive than the prudent management of accumulated cash balances.
- (x) Reminds the Governments of Member States that their efforts in this field are more likely to be effective if they harness the political, productive, commercial and financial resources of the Community as a whole better than in the past and hopes that the Commission will continue to play an active and effective role as the guardian of the Community's collective view in this field.

II. *As regards international indebtedness*

- 3. (a) While the international credit system has survived the 1983 crisis and the prospects for a return to general stability are improving, rescheduling is far from complete, the exposure of private banks is still very high and the European banking system is vulnerable to any disorder in the US banking community.
 - (b) Many developing countries have suffered severe damage during the debt crisis. Their trading abilities have been seriously impaired and they have been subjected to disturbing political strains.
 - (c) The international machinery represented by the IMF, the World Bank, the OECD, the BIS and the Paris Club has generally withstood the best of the crisis and individual institutions have rendered outstanding services.
 - (d) While the Commercial Banks have in the past, often with the encouragement of national governments, shown a certain disregard for political risk and some weakness in evaluating credit ratings, they have acted in a responsible fashion when faced with the recent demands for rescheduling and increased loans to borrowers.
 - (e) National or international guarantees of commercial loans (other than officially backed export credits) are not desirable; they could have the long term effect of increasing instability.
 - (f) There is a pressing need for an improved assessment of the overall debt situation and of the ability of debtor nations to pay, and also for an early warning system of debt problems.
 - (g) Counter-part trade and barter (now over 20 % of world trade), while helping to maintain economic activity and bilateral trade flows, can be harmful to multilateral trade and divert resources from the settlement of international debts.
- 4. The Parliament therefore:
 - (i) Calls upon Governments of Member States to intensify their support for the IMF and the World Bank, both through prompt financial reinforcement when needed and by maintaining the authority of those institutions.

Thursday, 29 March 1984

- (ii) Requests the IMF and the World Bank to consider improved cooperation and burden-sharing when dealing with problems of indebtedness, while preserving their respective roles.
- (iii) Requests the Member Governments to discharge their responsibilities in the IMF by careful monitoring of 'packages of measures' to ensure that their political effects have been adequately considered; further requests Governments to consider possibilities of direct bilateral support to debtor countries where the IMF's reasonable economic criteria are in conflict with political factors.
- (iv) Welcomes the steps taken by the IMF to improve surveillance and establish a more sensitive early-warning system acceptable to borrowing countries.
- (v) Believes that the international credit system must be used to strengthen the trading capacity of borrowing countries and considers that this criterion should be more generally applied.
- (vi) In this connection, welcomes the closer regular cooperation between GATT, the IMF and the World Bank on problems of indebtedness and asks that this activity should be extended and made fully effective.
- (vii) Requests that the cooperation now established between the IMF, World Bank, and commercial banks be maintained and intensified so as to ensure a common understanding and remove possibilities of conflict.
- (viii) Believes that commercial banks should now seriously examine, with the advice of their central banks:
 - (a) the scale of their charges for rescheduling operations;
 - (b) a limited and careful writing-down of any debts that are clearly irrecoverable.
- (ix) Welcomes the creation of the Institute of International Finance and requests member governments to see that its possibilities are fully utilized.
- (x) Requests the Governments of Member States to study, as a matter of urgency, ways of improving the flow of direct equity investment to developing countries while safeguarding their interests and economic independence in order to mitigate the outflow of capital through debt service.
- (xi) Reasserts its view that a fall in world interest rates will be the paramount factor in reestablishing the credit-worthiness of borrowers and calls upon the Governments of Member States to renew their efforts in this respect with the US Government, as well as for the reasons in 2 (iv) above.
- (xii) Recommends that further attention should be given to analyzing the balance of investment between industrialized and Third World countries.
- (xiii) Recommends that the Community analyzes the rapid rise of countertrade and other linked trade and its long-term effect on international liquidity, the international financial system and the world trade pattern.

III. *As regards European monetary cooperation*

5. Reaffirms the position expressed in its resolution of 16 February 1984⁽¹⁾ on the consolidation and achievement of the European Monetary System in the framework of the proposals made by the Commission to the European Council in March 1982.

⁽¹⁾ OJ No C 77, 19. 3. 1984, p. 88.

Thursday, 29 March 1984

6. Calls upon the European Council, at an early meeting, to devote special attention to the question of how to strengthen the EMS and to implement the proposals contained in Parliament's abovementioned resolution regarding the strengthening of the EMS and the development of the ECU as a means of exchange in private and official transactions.

IV. As regards future action

7. (a) Global financial instability whether in exchange rates or in the credit system, has a damaging effect on World Trade, and therefore on the external trade of the Community.

(b) The matters discussed in this resolution are essential factors in any European economic recovery.

8. The Parliament therefore:

- (i) In adopting this resolution, calls for its consideration by other institutions of the Community and by the Governments of Member States in conjunction with the Parliament's recommendations on European economic recovery.
- (ii) Requests the Commission to report back to Parliament as soon as possible on its own proposals for dealing with the matters discussed and its present role in dealing with them in international institutions and discussions.
- (iii) Instructs its President to forward this resolution and the report of its committee to the Presidents of the Commission and the Council of Ministers, to the Governments of the Member States, and to the Presidents of the IMF, the World Bank, the Bank for International Settlements, the Paris Club and the Institute for International Finance.

RESOLUTION

on the indebtedness of the ACP countries

The ACP-EEC Consultative Assembly,

— meeting in Luxembourg from 19 to 21 September 1984,

- A. recalling its resolution adopted at its meeting in Luxembourg from 24 to 26 September 1980 ⁽¹⁾ requesting:

'in the light of the very serious implications of the burden of foreign debt for the economies of the developing countries, the adoption of measures to provide immediate assistance, relief or the writing-off of the debts of those developing countries which are experiencing particular difficulties — as is the case for most ACP countries',

- B. noting that the situation as regards the indebtedness of the developing countries has considerably worsened since then as, according to a report drawn up by the World Bank, 'the percentage of export earnings which the developing countries as a whole have had to devote to debt servicing has increased from 13,6 % in 1980 to 20,7 % in 1982',

- C. noting the continual rise in interest rates and the increase in the debt caused by the appreciation of the dollar,

- D. noting that in the same period, from 1980 to 1982, the export prices of the chief basic products of the developing countries fell by 25 %,

- E. aware that the indebtedness of the ACP countries may undermine all the ACP-EEC cooperation projects,

1. Decides to draw up a report for the next meeting of the Consultative Assembly on the situation with regard to, and the causes of, the indebtedness, the solutions which might be found for this at world level, and the ways in which EEC cooperation could, within the scope of its powers, help to reduce the debt;

2. Formally appeals to the negotiators of the future ACP-EEC Convention not to disregard this problem;

3. Declares that it is in favour of a reform of the international monetary system, the first step towards which might be to convene an international monetary conference;

4. Instructs its Co-Presidents to forward this resolution to the Council and Commission of the European Communities, the ACP States and the Member States of the European Community.

⁽¹⁾ OJ No C 306, 24. 11. 1980.

Wednesday, 26 October 1983

RESOLUTION

on arms procurement within a common industrial policy and arms sales

The European Parliament,

- having regard to the following motions for a resolution:
 - the motion for a resolution tabled by Mr Druon and others, on behalf of the EPD Group, on Community armaments procurement programmes within the framework of industrial policy (Doc. 1-340/79),
 - the motion for a resolution tabled by Mr Jaquet and others, on Community armaments procurement programmes within the framework of industrial policy (Doc. 1-350/79),
 - the motion for a resolution tabled by Mr Marchais and others, on Community armaments procurement programmes within the framework of industrial policy (Doc. 1-352/79),
 - the motion for a resolution tabled by Mr Fergusson and others, on Community armaments procurement programmes within the framework of industrial policy (Doc. 1-357/79),
 - the motion for a resolution tabled by Mr Ghergo and others, on the protection of the civilian population against possible attacks by atomic, chemical and bacteriological weapons (Doc. 1-169/80/rev.),
 - the motion for a resolution tabled by Mr Lomas and others, on arms sales to third world countries (Doc. 1-262/80),
 - the motion for a resolution tabled by Mr Vandemeulebroucke on the supply of Belgian military equipment to Uruguay (Doc. 1-354/81),
 - the motion for a resolution tabled by Ms Clwyd concerning the use and production of chemical weapons (Doc. 1-1026/81),
 - the motion for a resolution tabled by Mr d'Ormesson and others, on behalf of the EPP Group, on the need to provide better civil defence for the peoples of Europe (Doc. 1-356/82);
 - the motion for a resolution tabled by Mr Vandemeulebroucke on the arms trade (Doc. 1-1017/82),
 - the motion for a resolution tabled by Sir Peter Vanneck and Mr Fergusson on cooperation between the Assembly of the Western European Union and the European Parliament (Doc. 1-1050/82),
- having regard to the report of the Political Affairs Committee and to the opinions of the Committee on Economic and Monetary Affairs and the Committee on External Economic Relations (Doc. 1-455/83),
- I. A. recalling its resolution of 14 June 1978 on European armaments procurement⁽¹⁾;
- B. having regard to Article 224 of the EEC Treaty, in particular that Member States shall consult each other, with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures which a Member State may be called upon to take in order to carry out obligations it has accepted for the purpose of maintaining peace and international security;
- C. noting the Greenwood report on a policy for promoting defence technology cooperation among Western European countries, transmitted to Parliament by the Commission in December 1980;
- D. noting the work being carried on by the Independent European Programme Group (IEPG) concerning armaments production cooperation;
- E. noting that defence purchasing is a very important field where action is required to ensure that European industries, especially in the area of information technology,

⁽¹⁾ OJ No C 163, 10. 7. 1978, p. 23; Klepsch report (Doc. 83/78).

Wednesday, 26 October 1983

shall be able not only to compete with US and Japanese firms but shall also be able to strengthen Europe's own defence capability;

Calls upon the Council, as concerns conventional armaments procurement within a common industrial policy

1. to encourage member governments taking part in the work of the IEPG to give its Panel I — concerned with equipment planning — the functions of a European Defence Analysis Bureau which could serve as a clearing house for information on defence needs and military production capabilities, identifying collaborative procurement possibilities and analyzing the options available;
2. to approve the 80 Directives that relate to the internal market and to technical barriers to trade;
3. to urge those member governments taking part in the work of the IEPG:
 - (a) to replace bilateral Memoranda of Understanding between the individual members of the Atlantic Alliance by Memoranda in which the European participants act collectively *vis-à-vis* the US and Canada;
 - (b) to develop dual production programmes, under which European consortia would produce US-designed equipment and the US would produce European designed equipment, through the enlargement of the present IEPG list of sets of equipment suitable for production in this way;
 - (c) to attempt to reach an agreement between the US and the IEPG aimed at the development of types and groups of weapons, which together with the points suggested above, would strengthen the so-called triad approach; and to negotiate with the United States Government the equalization of tariffs on arms-related equipment, including civil aircraft, traded between the Community and the United States;

Calls upon the Commission, as concerns the same subject

1. to extend the principle embodied in the second Directive on supplies relating to public procurement to the defence contracts sector and to remove the barriers resulting from the lack of standardization and from national testing and certification procedures;
2. to continue its work on fundamental research and development in the Joint Research Council having particular regard to the requirements of the defence sector, as defined by the IEPG, as well as to those of Europe's overall technological base, viz. Esprit (European Strategic Programme of Research on Information Technology);
3. to increase its efforts toward joint European research in areas involving a particularly large degree of innovation;
4. to carry out research into the areas of technology which could most usefully be developed in Western Europe, possibly also in cooperation with Japan and the USA;
5. to develop a programme concerning computer-aided design and manufacturing systems and artificial intelligence;

Wednesday, 26 October 1983

6. to promote research, financed by the Community, into the development of advanced software, and to investigate ways and means of bringing together companies from different Community countries in collaborative research and development projects;
 7. to report annually, in writing, to the European Parliament on the action taken to implement this resolution.
- II.
- A. considering the continuing differences between the national arms sales policies of the Member States of the European Community;
 - B. considering the need for the Member States of the European Community to agree on fundamental principles governing their arms exports to third countries;
 - C. recognizing that arms sales policies pursued individually by Member States without regard to the common interest or the interests and policies of others may lead to instability or war elsewhere in the world;
 - D. believing that competitive arms sales outside the Alliance could be limited to those politically desirable or justifiable if a coherent Community procurement policy were established;
 - E. recognizing that arms sold by Member States have, in some cases, been used for aggressive and oppressive purposes;
 - F. noting that during meetings of Unctad, measures have repeatedly been proposed with a view to curbing today's arms trade, the effects of which are regarded as harmful not only for world peace but also for the social and economic development of the less-developed countries of the Third World, which will experience increasing difficulty in securing their economic development if they have to devote scarce financial resources to the production of armaments which are in any case often quickly overtaken by progress in warfare technology;
 - G. recognizing the enormous economic cost and the dangers to security caused by competition to acquire armaments in the Middle East, Latin America, Asia and Africa, where local conflicts are sometimes exacerbated by super-power intervention and promoted by competitive arms sales;

Calls upon the Council, at the level of the competent ministers, as regards arms sales

1. to establish rules governing the export of arms from Member States to third countries;
2. to agree on the restrictions to be placed on the export to certain third countries of specified types of arms;
3. to keep these restrictions continually under review;
4. to submit an annual written report to the European Parliament on progress towards these objectives;
5. instructs its President to forward this resolution to the Foreign Ministers meeting in political cooperation, the Council and the Commission.

Wednesday, 16 November 1983

RESOLUTION

on the deployment of missiles in Western Europe

The European Parliament,

- A. Recognizing and understanding the widely felt concern of European citizens for the dangers of war;
 - B. Stating its conviction that pacifism and appeasement cannot provide an answer to the threat with which Western Europe is faced;
 - C. Dismayed by the attempt on the part of one member government to exploit the process of European political cooperation by raising the issue of medium-range missiles in Europe which are the subject of decisions solely within the Atlantic Alliance;
 - D. Taking into account the fact that one member country of the Community is not a member of the Atlantic Alliance and that another member country, while a full member of the Alliance, is not part of its integrated military defence organization;
 - E. Having regard to its resolution of 13 January 1983 on European political cooperation and security ⁽¹⁾ which stated 'that arms control negotiations between East and West are important for both sides, that they should take the form of a continuous process and that they should be aimed at mutual security based on balanced military relations at the lowest possible arms level';
 - F. Noting with satisfaction the broad political support for the right and duty of the European Parliament to discuss matters related to European security while at the same time recognizing that the institutions of the European Community have no explicit competence in military matters;
1. Rejects attempts by the government of one member country and of some political forces to use the process of European political cooperation to alter the agreed position of member governments and of other countries inside the Atlantic Alliance on the vital issue of missile deployment;
 2. Supports the governments of Member States which are displaying a firm resolve to maintain the necessary balance of power to safeguard the security of our countries and of the West as a whole;
 3. Hopes that current and future negotiations on arms control, arms reduction and on confidence building measures will significantly add to the peace and security of Europe;
 4. Calls attention to the serious risk of undermining the Western negotiating position in Geneva by supporting proposals which would deprive the Western side of an important type of weaponry while leaving a significant number of such weapons deployed intact on the other side;
 5. Calls, therefore, on all Member States to support a twin policy of sincere arms control negotiations to bring about a reduction of all arms, nuclear, chemical and conventional alike, to the lowest possible level commensurate with the security of Western Europe, and until this objective is achieved to maintain a position of sufficient military strength to deter external aggression and intimidation, and thus to provide the necessary incentive to the other side to reach negotiated agreements on mutual and verifiable arms reductions.
 6. Instructs its President to forward this resolution to the Foreign Ministers meeting in political cooperation.

⁽¹⁾ OJ No C 42, 14. 2. 1983, p. 74; Haagerup report Doc. 1-946/82.

WRITTEN QUESTION No 2014/83**by Mr Paul Howell (ED – GB)****to the Commission of the European Communities***(15 February 1984)***(84/C 144/25)***Subject: East-West trade policy*

To ask if the Commission would outline the guidelines by which East-West trade policy is concluded by the Commission:

1. in high-technology goods,
2. in agricultural commodities?

**Answer given by Mr Haferkamp
on behalf of the Commission***(27 March 1984)*

The Community seeks to develop harmonious trading relations with all third countries, including the State-trading countries, and in this spirit has offered to conclude comprehensive bilateral trade agreements with each of the latter to take account of their individual situations. So far, the State-trading countries, with a few exceptions, have not taken up this offer, so that Community trade policy towards them remains largely on an autonomous basis, with due account taken of Community obligations to certain of these countries under GATT. In the fields of tariffs, and, for the most part, of trade in agricultural products Community policies are at present the same as towards other third countries. Distinctions exist, however, in the field of imports in order to take account of the particular nature of the Eastern economic systems: these include special rules for the determination of dumping practices, and specific quantitative restrictions on certain industrial imports and a very small number of agricultural products. These specific restrictions have a very modest effect on imports: only between 4 and 6 % of imported products are affected by them in any way. There are no particular Community guidelines applying to the import or export of high-technology goods. The Community's objective is to develop East-West trade in a manner coherent with commercial relations with other countries, treating each trade flow on its own merits and basing itself on the principle of reciprocity, which implies an equitable distribution of advantages and obligations of comparable scale.

Thursday, 16 September 1982

RESOLUTION

on visa reciprocity between the United States and the European Community

The European Parliament,

- A. noting that United States' law still requires citizens of the European Community Member States to obtain visas when visiting the United States, even though US citizens are not subject to visa requirements when visiting any of the 10 Member States of the European Community,
- B. believing that this lack of reciprocity is inherently unjust,
- C. recalling that the Presidency of the Council of Ministers, in a representation to the United States' mission to the Communities in Brussels on 14 June 1982, drew attention to the imbalance and urged that it be rectified,
- D. convinced that such a move would contribute to improving the climate of relations between the United States and the European Community at this time,
 1. Welcomes the passage on 17 August 1982 by the US Senate of a bill authorizing the creation of a pilot non-immigration waiver programme for up to eight countries;
 2. Expresses the hope that a similar bill now before the House of Representatives will be approved before the end of the present session, thus enabling a pilot visa waiver programme to be signed into law by the President before the end of this year;
 3. Expresses the hope that such a programme, once implemented, will be widened as soon as possible to include all the ten Member States of the European Community;
 4. Instructs its President to forward this resolution to the Council and Commission, the Foreign Ministers meeting in political cooperation, the Speakers of the two Houses of the US Congress and the President of the United States.

Friday, 13 April 1984

RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Regulation (EEC) on the conclusion of a Framework Agreement for cooperation between the European Economic Community and the countries party to the Cartagena Agreement (Bolivia, Colombia, Ecuador, Peru and Venezuela)

The European Parliament,

- having regard to the proposal from the Commission to the Council ⁽¹⁾,
- having been consulted by the Council pursuant to Article 235 of the EEC Treaty (Doc. 1-1267/83),
- having regard to its resolution of 12 October 1983 on economic and trade relations between the European Community and Latin America ⁽²⁾, and to the fact that the EEC-Andean Pact agreement forms an integral part of the global strategy underlying this resolution,
- having regard to its opinion of 16 January 1981 on a proposal from the Commission of the European Communities to the Council for a Regulation on the conclusion of a Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil ⁽³⁾,
- having regard to the Agreement signed on 15 July 1975 between the EEC and the United Mexican States ⁽⁴⁾,
- having regard to the Final Act of the Sixth European Community/Latin America Interparliamentary Conference, held from 13 to 16 June 1983 in Brussels (PE 85-416/fin.),
- having regard to its decision setting up interparliamentary delegations ⁽⁵⁾,
- having regard to the information concerning the negotiations on the Framework Cooperation Agreement between the EEC and the countries party to the Cartagena Agreement, forwarded to its competent committees on 23 November 1983 by the President-in-Office of the Council of Ministers under the 'Luns-Westerterp' procedure (PE 87.928),
- having regard to the report of the Committee on External Economic Relations and the opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs and the Committee on Development and Cooperation (Doc. 1-1495/83),

⁽¹⁾ OJ No C 325, 30. 11. 1983, p. 3.

⁽²⁾ OJ No C 307, 14. 11. 1983.

⁽³⁾ OJ No C 28, 9. 2. 1981.

⁽⁴⁾ OJ No L 247, 23. 9. 1975.

⁽⁵⁾ OJ No C 125, 17. 5. 1982.

Friday, 13 April 1984

- having regard to the result of the vote on the Commission's proposal,
- A. whereas this is the first cooperation agreement to be concluded by the Community with a regionally organized group of countries in Latin America,
- B. whereas negotiations were broken off on several occasions as a result of political events,
- C. whereas the Andean Group is the most important Latin-American trading area for the Community,
- D. whereas the imports and exports between the Group and the Community mainly consist of complementary products,
- E. whereas the Community and the Andean Group should regard each other as equal trading partners,
- F. whereas only a very small proportion of Community investment in Latin America is destined for the Andean Group,
- G. whereas there are no objective reasons for limiting the activities of the European Investment Bank outside the Community to countries with which the Community is associated,
- H. whereas the Andean Group is a developing region which includes some of the poorer Latin-American countries,
- I. whereas the individual development aid provided by the Member States of the Community to the Andean Pact countries amounts to almost 2,5 times as much as Community aid as such,
- J. whereas in a few Andean Pact countries the cultivation of coca by peasants and underworld traffic in cocaine dominate in practice part of the economy,
- K. whereas it wishes to be regularly informed of the progress achieved in implementing the agreement,
- L. whereas the Cartagena Agreement includes specific references to respect for democracy and human rights,
- M. whereas it is to be recommended that relations between the European Parliament and the Andean Parliament be formalized through this agreement,
- 1. Believes that the further integration of the Andean Pact countries ought to be encouraged by the Community with all the means at its disposal;
- 2. Concludes that the present cooperation agreement, which can only be an agreement between democratic partners, has not only economic and commercial importance but also a political dimension;
- 3. Stresses that the agreement aims also and above all to consolidate human rights and democratic principles, and supports the attitude taken up by the five democracies in the Andean Pact in the struggle against non-democratic systems;
- 4. Condemns all attempts — such as the recent attack on the Bolivian Parliament — to destroy democracy in the Andean Pact;
- 5. Applauds the intention of the Andean Pact to include Chile in the Joint Agreement once democracy has been restored in that country;
- 6. Welcomes the intention of Panama and Argentina to work in close cooperation with the Andean Pact;
- 7. Believes it sound policy for measures to be taken to promote trade between the two partners, particularly through the removal of non-tariff trade barriers;

Friday, 13 April 1984

8. Welcomes the fact that the Andean Group has agreed to include a most-favoured-nation clause in the agreement, but believes that the Community should agree to exceptions to this clause for the benefit of other Latin-American countries;
9. Calls on the Andean Pact countries to take the necessary steps to prevent European vessels from being excluded from shipping products from their region to the Community;
10. Points out that the development of the following economic sectors is of particular significance: agriculture, education, communications, transport, energy, mining and tourism, and observes in this connection that an enlightened approach to environmental protection must from the outset be given expression;
11. Calls on the Commission to take the first steps in cooperation forthwith, by constructing a modern, decentralized telecommunications system in the Andean Pact, following on from the preparatory work already carried out by the Andean Pact, and welcomes the fact that the competent institutions of the Andean Pact have given their explicit support to this joint venture in modern technology;
12. Would welcome any initiatives by oil-producing Andean Pact countries to offer special facilities to their European partners;
13. Declares its willingness to draw on its own experience with a view to giving all possible help to the Andean Pact countries in their new endeavours to establish a decentralized regional policy;
14. Supports the suggestion by the Andean Pact that the two parties should take a joint initiative to promote economic development in the Leeward Islands in the Caribbean, thus helping to enhance political stability in that region;
15. Believes that expanding Community investment in the Andean region will benefit both parties and urges the Andean Pact countries to apply existing rules in such a way that such investment is hampered as little as possible;
16. Calls on the Commission to submit recommendations to the Member States for involving the European Investment Bank, in collaboration with the Inter-American Bank, in developing the agreement, in order to give the necessary support in particular to small and medium-sized undertakings in the Andean Pact, and also to joint projects with equivalent undertakings in the European Community;
17. Calls, like the Andean Pact, for a special committee on small and medium-sized undertakings to be set up within the joint cooperation committee of the agreement;
18. Requests that the work of institutes, chambers of industry and commerce, development organizations, etc. involved with the Andean Pact be coordinated at the instigation of the Commission of the European Communities and the Council of the Cartagena Agreement;
19. Urges that an EC-Andean Pact Business Council be set up with the task of devising realistic and technically appropriate measures for implementing the agreement;
20. Considers that development aid from the Community ought to be directed in particular towards the poorer countries and regions of the Andean Group and in general benefit rural areas and the agricultural sector in order to prevent the exodus from the land towards the big cities;
21. Urges the Member States of the Community to coordinate their bilateral aid with one another as far as possible along these lines;
22. Believes that the Community — as also other industrialized countries — should do everything possible in collaboration with the Andean Pact to curb the use of narcotics in its territory, and that at the same time attempts must be made, together with the Andean Pact countries concerned, to find alternatives to growing coca shrubs in their agriculture;

Friday, 13 April 1984

23. Instructs its committee responsible to invite a representative of the Commission to appear before it at regular intervals to report on the progress achieved by the Joint Cooperation Committee as regards the implementation of the agreement;
24. Urges that representatives of the competent committees of the Parliaments should be allowed to attend the meetings of the Joint Cooperation Committee set up under the agreement;
25. Supports the attempts under way to organize from the outset close cooperation between the two Courts of Justice and the two Courts of Auditors, in order to develop solid joint legal bases for case law and monitoring capacities;
26. Calls on the Commission to set up, in Lima, an 'outpost' of our delegation in Caracas — without engaging additional staff;
27. Reaffirms its support for the setting up of the European Latin American Institute already proposed by the Brussels Conference held on 13 to 15 June 1983 and to be financed out of the 1984 budget, which will also strengthen cultural and technological cooperation with the Andean Pact countries;
28. Supports the efforts of the Andean Pact to found an Andean University — be it as a new body or jointly by converting an existing institution into an actual university;
29. Expresses its satisfaction at the wish of the Andean Parliament to establish close cooperation from the outset with the directly elected European Parliament;
30. Supports the efforts of the Andean Parliament to introduce its own system of direct elections in the near future;
31. Instructs its delegation for relations with Latin America to establish from among its members a sub-delegation, comprising not more than nine persons, to prepare the way for regularizing relations with the Andean Parliament;
32. Would therefore be in favour of the Andean Parliament maintaining a permanent secretariat;
33. Will consider devising a procedure whereby, depending on the particular circumstances, a representative of the Andean Parliament may, as an observer, attend important meetings of interparliamentary delegations involving the European Parliament and third countries which are important to the Andean Pact;
34. Ratifies the present agreement and welcomes the intention of the Andean Parliament to ratify it in turn;
35. Repeats once again its wish, shared also by the Andean Pact, that a framework agreement should be concluded between the European Communities and the Latin-American Economic System (LAES);
36. Instructs its President to forward to the Council and Commission, to the Governments of the Andean Pact countries and to the Andean Parliament, as Parliament's opinion, the proposal from the Commission as voted by Parliament and the corresponding resolution.

